

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

May 21, 2007

CALL TO PODIUM:

Tony Tomasello, Assistant City Manager

RESPONSIBLE STAFF:

Tony Tomasello, Assistant City Manager

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
	Ordinance
X	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Public Hearing	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Resolution of the Mayor and City Council Authorizing the City Manager to Negotiate and Execute Agreements Relating to the Proposed East Diamond Avenue Redevelopment Project (Archstone)

SUPPORTING BACKGROUND:

The City of Gaithersburg Strategic Plan establishes that we will actively pursue development and redevelopment in Olde Towne. In the past we have successfully used financial incentives to move projects forward. Examples of this are the Park Station Apartments, the 12 and 16 South Summit Avenue office buildings, and the Summit Crossing project.

Archstone Smith is a large apartment development firm that has negotiated a consolidation of properties along East Diamond Avenue. They are requesting that we sell the City owned property at 402 and 404 East Diamond for inclusion in this assemblage. These properties were declared surplus via Resolution R-107-05.

The Council has provided staff with guidance on what appropriate incentives would be for a project of this scale and impact in Olde Towne and these guided preliminary negotiations with the developer. The final agreements have not been completed but the major financial terms would include the following –

Waiver of all permit fees with the exception of reforestation (approx. \$900,000)

Rebate of City real property taxes for a period of 5 years (approx. \$1,000,000)

Purchase price for the City-owned property of \$2.1 million
Funding for a temporary Teen Center site (\$60,000)

Staff is seeking approval to complete negotiations and execute the various legal documents needed to move forward.

DESIRED OUTCOME:

Vote on Resolution.

RESOLUTION No. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO NEGOTIATE AND EXECUTE AGREEMENTS RELATING TO THE
PROPOSED EAST DIAMOND AVENUE REDEVELOPMENT PROJECT
(ARCHSTONE)

WHEREAS, implementation of the Olde Towne Master Plan is one of the City's priority Strategic Directions; and,

WHEREAS, the Strategic Direction states that the City will actively pursue development and redevelopment opportunities in Olde Towne; and,

WHEREAS, Archstone Smith desires to construct a residential development project that will bring new residents to Olde Towne, and support economic development and use of transit in the area; and,

WHEREAS, Archstone Smith must obtain the necessary site development approvals from all applicable private and governmental authorities, including, without limitation, the City's planning commission, prior to purchasing the City-owned property included in the residential development project; and,

WHEREAS, Archstone Smith has requested that the City provide certain financial incentives, including tax abatements and permit fee waivers, in support of the project, and;

WHEREAS, the City and Archstone Smith will set forth the terms and conditions of the sale of the City-owned property and of the City's financial assistance to the project in a several agreements:

NOW, THEREFORE, BE IT RESOLVED, that the City Manager is immediately authorized to negotiate and execute agreements relating to the proposed East Diamond Avenue Redevelopment Project (Archstone).

ADOPTED by the City Council on this 21st day of May, 2007.

SIDNEY A. KATZ, Mayor and
President of the Council

THIS IS TO CERTIFY that the foregoing
Resolution was adopted by the City Council
in public meeting assembled on the 21st day
of May, 2007.

David B. Humpton, City Manager